



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, SEPTEMBER 6, 2006
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

**STOLT-NIELSEN S.A. INDICTED ON CUSTOMER ALLOCATION, PRICE FIXING,
AND BID RIGGING CHARGES FOR ITS ROLE IN AN
INTERNATIONAL PARCEL TANKER SHIPPING CARTEL**

Two Subsidiaries and Two Executives also Indicted

WASHINGTON — A federal grand jury in Philadelphia today returned an indictment against London-based Stolt-Nielsen S.A., two of its subsidiaries, and two executives for participating in a conspiracy to allocate customers, fix prices, and rig bids on contracts of affreightment for parcel tanker shipping of products to and from the United States and elsewhere, the Department of Justice announced. Including today's charges, five companies and five individuals have been charged and fines totaling more than \$62.3 million have resulted from the Department's ongoing antitrust investigation of the parcel tanker shipping industry.

Stolt-Nielsen S.A., its subsidiaries--Stolt-Nielsen Transportation Group Ltd. of Liberia and Stolt-Nielsen Transportation Group Ltd. of Bermuda (collectively SNTG)--and U.S. citizen Samuel A. Cooperman and New Zealand citizen Richard B. Wingfield, were charged with the parcel tanker conspiracy today in U.S. District Court in Philadelphia. Cooperman is the former chairman, president and chief executive officer of SNTG. Wingfield is the former executive vice president and managing director of tanker trading for SNTG. Both of the subsidiaries have had offices in Greenwich, Conn.

"The indictment charges Stolt-Nielsen and its executives with serious antitrust crimes--price fixing, customer allocation, and bid rigging," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "Cracking down on international cartels is the Antitrust Division's top priority and the Division will continue its efforts to aggressively pursue such illegal activity."

Parcel tanker shipping is the transportation of bulk chemicals, edible oils, acids, and other specialty liquids by compartmentalized deep sea vessels. A contract of affreightment is a contract between a customer and a parcel tanker shipping company for the transportation of bulk liquids from port to port.

The alleged conspiracy began at least as early as August 1998 and continued until as late as November 2002. The indictment charges that representatives of Stolt-Nielsen entities and two competitor companies met and agreed not to compete for one another's customers for contracts of affreightment. The defendants are charged with carrying out the secret agreement in a variety of ways, including:

- Refraining from seeking business from one another's customers, or alternatively, when asked to bid by such customers, declining to bid or submitting fraudulent bids with intentionally high prices;
- Discussing customers and prices for contracts of affreightment to avoid competition;
- Preparing, updating, and exchanging customer lists to facilitate implementation of the agreement; and
- Continuing to carry out the conspiracy through meetings and discussions and assuring competitors that the conspiracy remained in effect, even after discovery of certain evidence of the conspiracy by Stolt-Nielsen's then-general counsel.

In March 2004, the Antitrust Division revoked the conditional leniency that had previously been granted to the Stolt-Nielsen entities under the Division's Corporate Leniency Program. Stolt-Nielsen's conditional leniency was predicated on a number of representations made by the company, including a promise that the company "took prompt and effective action to terminate its part in the anticompetitive activity being reported upon discovery of the activity." The Division revoked the conditional leniency after it learned from other sources that top Stolt-Nielsen executives, including its managing director Wingfield, had continued to meet with competitors and participate in the conspiracy for months after the scheme's discovery by Stolt-Nielsen's then-general counsel, and that Stolt had both withheld and provided false and misleading information about the true extent of the conspiracy.

In February 2004, Stolt-Nielsen S.A., Stolt-Nielsen Transportation Group Ltd. of Bermuda, and Wingfield filed lawsuits seeking an injunction to prevent the Antitrust Division from indicting them. The U.S. District Court for the Eastern District of Pennsylvania granted the injunction in January 2005. In March 2006, the Court of Appeals for the Third Circuit reversed the District Court decision and, in June 2006, denied petitions for rehearing. Attempts by SNTG and Wingfield to recall and stay the mandate of the Third Circuit failed, and on Aug. 24, 2006, the District Court dissolved the injunction against the Antitrust Division.

"Stolt-Nielsen is the first company to have its conditional leniency revoked since the current program was announced in 1993," said Barnett. "Removing a company from the Corporate Leniency Program is not something the Division takes lightly but regrettably was necessary in this case to maintain the integrity of the program, which requires that those in the program provide full and truthful cooperation."

Each of the defendants is charged with participating in the conspiracy to suppress competition in violation of the Sherman Act. The maximum penalty for the conviction of a Sherman Act violation occurring before June 22, 2004, is three years imprisonment and a fine of \$350,000 for individuals and a fine of \$10 million for companies. The maximum fines may be

increased, however, to twice the gain derived from the crime or twice the loss suffered by the victims if either of those amounts is greater than the Sherman Act maximum fines.

Today's charges result from the Division's ongoing investigation of the parcel tanker shipping industry being conducted by the Philadelphia Field Office, in conjunction with the Philadelphia Office of the Federal Bureau of Investigation.

In the fall of 2003, shipping company Odfjell Seachem AS pleaded guilty to participating in a conspiracy to allocate customers, rig bids, and fix prices in the parcel tanker shipping industry and was sentenced to pay a \$42.5 million fine. Two Odfjell executives, Bjorn Sjaastad and Erik Nilsen, also pleaded guilty for their roles in the same conspiracy. Sjaastad was sentenced to four months in prison and a \$250,000 fine, and Nilsen was sentenced to three months in prison and a \$25,000 fine.

In early 2004, a second company, Jo Tankers B.V., also pleaded guilty to conspiring to eliminate competition on contracts of affreightment in the parcel tanker shipping industry. Jo Tankers was sentenced to pay a fine of \$19.5 million, and its former co-managing director, Hendrikus van Westenbrugge, pleaded guilty and was sentenced to pay a fine of \$75,000 and to serve three months in prison.

Anyone with information concerning price fixing or other anticompetitive conduct in the parcel tanker shipping industry should contact the Philadelphia Field Office of the Antitrust Division at 215-597-7405.

###

06-596